(c) the total amount of tax outstanding on account of income tax, corporate tax, customs duty and central excise duty as on 2006-07, 2007-08 and 2008-09?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House.

State Maritime Boards

1829. SHRI KANJIBHAI PATEL:
SHRI NATUJI HALAJI THAKOR:

Will the Minister of FINANCE be pleased to state:

(a) whether the status of State Maritime Boards have been excluded from the definition of local authority under the Finance Act, 2003;

(b) if so, the reasons therefor;

(c) whether some of the States have made representations to the Central Government for waiving of income tax from the State Maritime Boards;

(d) if so, the reaction of Government thereto; and

(e) whether Government would consider the State Maritime Boards as "Local Authority" since it is a public utility organisation and has no motive to earn profit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) *Vide* Finance Act, 2002, definition of "local authority" under clause (20) of section 10 was made restrictive so as to include Panchayats, Municipalities, Municipal Committee and District Boards and Cantonment Boards only. This amendment was made effective from 1st April, 2003. Entities like State Maritime Boards thus went outside the scope of exemption available under that section.

(b) The above amendment was based on the recommendation of Advisory Group on Tax Policy and Tax Administration for the Tenth Plan which had suggested deletion of exemption provided under section 10 (20) of the Income-tax Act. The restrictive definition was adopted considering the need to phase out exemptions consistent with a moderate tax regime. However, exemption in the case of Panchayats, Municipalities, Municipal Committee etc. was retained as they are local self-government institutions.

(c) Yes, Sir.

(d) The request was examined and not found feasible.

(e) The restrictive definition of the term 'local authority' was adopted considering the need to phase out exemption while moving towards a moderate tax regime. Policy imperatives currently being the same, revival of exemption to State Maritime Boards is not under consideration.